DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310-0103

27 November 1990

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF DEFENSE (LOGISTICS)

SUBJECT: Materiel Management and Distribution--Interim Systems and Executive Agent Selection Report

Subject report has been reviewed and specific comments are enclosed. The Army recognizes the potential benefits to the Department by the implementation of a single Materiel Management system and fully supports the initiative.

Systems integration is key to successful implementation of the interim systems initiatives. Important to the Army is the assurance that systems will not be exported without the capability to support all classes of supply. A number of recommended systems do not currently allow for the flexibility to support ammunition and major end items of equipment. Additionally, process and productivity improvements have been identified in the Defense Management Review (DMR) initiatives. All Executive Agents must ensure the exported systems included the essence of these improvements in order for the Army to meet its DMR decrements.

The Army is prepared to assume the role of Executive Agent and provide requisite support to other designated Executive Agents.

Eric A. Orsini
Deputy Assistant Secretary of the Army
(Logistics)
OASA(I,L&E)

Enclosure

CF: ASA(I,L&E)
DCSLOG
DISC4
Cdr, AMC

GENERAL COMMENTS

1. SYSTEM INTEGRATION. Integration of systems, both from a functional and technical viewpoint, will present significant problems. Portions of existing systems cannot be lifted easily and implemented by other components. Establishment of integration teams must be a priority consideration.

2. DATA STANDARDIZATION. Many logistics functions are performed in much the same manner by the components today; terminology, however, varies significantly. Priority must be given both financially and in personnel resources to achieve data standardization.

3. RELEASE MANAGEMENT/CONFIGURATION MANAGEMENT. The Concept Plan specifies that each component must submit a plan their technique for management of system releases (exporting of the system) and the management of the system confirguation for all changes. It is imperative that the best technique for each be determined and that this method be used by all the components.

4. FUNCTIONAL REPRESENTATION. Planning efforts by the EAs must include sufficient user representation in arriving at system solutions. Functional groups should be established that allow each service to input functional requirements into the definition of systems changes.

5. POLICY CHANGES. The need for service unique policy changes in the LISS must be recognized. These service unique changes must be implemented in such a manner that other service functions are not affected. Scheduling of such changes must be coordinated among all services to avoid an EA self-serving role that would provide lesser benefits for DOD.

6. DATA CALLS. Information in data calls was at such a high level that the Functional Review Teams (FRTs) could not ensure that all requirements of the services/DLA were met. Additionally, systems only indicated that functionality existed and did not provide sufficient information to determine if the method of accomplishment was sufficient. Sufficient functional review, with participation from all services/DLA, must occur in the planning phases to ensure that methods, techniques, and functions are acceptable by all components.

7. INTEGRATION TESTING. Each executive agent must be responsible for integrated testing for all modules for which they have responsibility. This testing in and of itself will not be sufficient if it only tests by functional area. A method/responsible agent must be named to do independent "third party" testing to ensure that changes made by each EA continue to operate/interface with modules from other EAs and with the existing system.

8. HARDWARE AND COMMUNICATIONS ARCHITECTURE. A joint services group must be established to address the architecture to be used by all components and standardization must also be planned/achieved. Concept and Technical Management Plans will serve as the basis for establishing these requirements.

9. DATA BASE MANAGEMENT SYSTEMS (DBMS). Systems should use DBMS for all required applications, but it should be recognized that not all applications require DBMS. Use of various DBMSs should be transparent to the user.

10. TRANSFER FOR REVIEW OF SYSTEMS. Review of reports from the FRTs indicate that some teams transferred the review of one or more systems from that group to some other team. In many cases, there is no indication from the second team that the system was actually reviewed. Each EA must be required to review the "transferred" systems and ensure that no function was mistakenly lost in the transfer process.

11. SYSTEM SOLUTIONS. Each EA should be directed to ensure that system solutions adopted in the LISS will not allow a service to have declining capabilities. Solutions must allow for implementation of productivity improvements and also allow for service policy implementation. The EA should strive for the most beneficial solution to standardization available to DOD.

12. EFFICIENT MANAGEMENT. The technique being utilized in adoption of LISS does not allow for examination of policies which might allow for more efficient management; systems will merely prepetuate any inefficiencies currently built into the processes.

13. TRAINING. Implementation plans from each EA must include training plans which clearly allow for user familarization with the new system. Continuance of operations in all the components is dependent on this effective planning.

SPECIFIC COMMENTS BY FUNCTIONAL AREA

ACQUISITION MATERIEL MANAGEMENT.

1. WEAPON SYSTEM MANAGEMENT. The FRT report indicated that there are no systems which meet the requirements for Weapon System Management. The Materiel Management CIM should be directed to make this area of need a high priority study area. This is needed to ensure that the requirements for a long-term solution for weapon system management be established.

2. SCOPE. The scope of this functional area is not clearly defined. The EA should be directed to define and coordinate a scope for this functional area so that requirements may be clearly established. This function is overlapping and the fact that other systems were not identified by the services for review as interim standard systems does not necessarily confirm that sytems do not exist.

ITEM INTRODUCTION.

1. SYSTEM RETROFIT. Recommended systems in this area were considered the "best", however, neither will provide the total range of functionality required for all services/DLA. Some degree of modification will be required to meet service unique requirements and to allow for the total range of functionality.

2. SERVICE UNIQUE DATA. Many actions prepetuated by the technique to arrive at selections should be reviewed to determine if service unique data elements and actions in the cataloging area could be combined into the DOD system at DLSC, thus eliminating the need for many service unique actions currently existing.

REQUIREMENTS - PROCUREMENT.

1. FUNCTIONAL REQUIREMENTS. The following areas of deficiencies in the selected system were noted and utilization of the Army supporting modules could offer an opportunity for the Executive Agent to implement the system much earlier than would be possible otherwise.

a. The Army system (IPS) is utilizing an existing system to provide automated routing of data and review and coordinate actions through the acquisition community. This includes support for technical data maintained in the TD/CMS which was selected as an LISS. The current selected Navy system which is in development does not have the TD/CMS compatibility and, even without redesign for that interface, the Navy system is scheduled for release in June 1991. It is highly suggested that the integration of this module from the Army would enhance the overall system and allow for earlier implementation for all services/DLA.

b. Federal acquisition regulations and supplements are provided on-line to Army procurement system users. The user has access to the full documents to include instruction material and clauses. The selected system limits user to access to clauses and requires the user to go to a stand-alone commercial system, similar to the Army's design, for electronic access to regulatory material. Recommend the Army module be implemented for all.

c. The selected system has no processes for Military Standard Contract Administration Procedures (MILSCAP) and none are scheduled for development before FY 1992. Interface to DCMC requires MILSCAP support. Use of the IPS MILSCAP module would preclude users in the Army and Air Force from reverting to the Navy's manual procedures for transmitting and posting contract administration data. Using the IPS MILSCAP process would capture the Army's experience with automated MILSCAP in a functional area the Navy has deferred.

d. The mainframe bound Navy system has no office automation support. Word processing and the incorporation of text into voluminous contracts and other documents is a significant aspect of the acquisition cycle productivity planned in IPS. These conditions are especially true in the management of major item/component contract actions where letters as well as contract enclosures constitute major portions of the contract file. When the CIM objectives for open system support is incorporated into the interim system environment, the Army can provide file sharing and file conversion processes that permit distributed processing using activity or user selected applications with full word processing capabilities to build and store documents.

2. SYSTEM FIELDING. The EA planning cannot proceed without an agreement between the components on requirements for the system. The EA must be charged with the responsibility for coordinating plans and programs to meet DOD and components' requirements, not the selected service's agenda. In the Army's case, the rapid development of the IPS was predicated on replacing an existing system using obsolete and hard to maintain hardware before that hardware became impossible to support. This requires implementation of any follow-on system in early to mid FY 1992. The development and fielding schedule of the EA must be built on these realities. Considerable investment has been expanded in the Army Program to include $30 million in hardware investment which is not projected to be used for the LISS.

REQUIREMENTS - REQUIREMENTS DETERMINATION/BUDGETING

1. MAJOR END ITEMS/WEAPON SYSTEMS. It must be recognized that any system to be utilized by the Army must include the capabilities required for the management of Major End Items. The FRT report has little discussion regarding this area. The current Army system utilizes the same system for all classes of supplies to accomplish most of the business functions and adds modules/applications when necessary to complete the functions. Systems implementation must include the capability to accomplish automated actions for all classes of supply in order that no service is placed in a manual mode or required to perform maintenance of dual system for actions currently being accomplished in an automated mode.

2. SYSTEM PLATFORM. The Army agrees that the system platform for the Requirements processes must be the most forward-looking approach. Again, the EA must be charged to accomplish planning efforts based upon agreements from all components of the requirements and not the selected service's agenda. Considerations must also include utilization of computational modules for the other systems to allow for early implementation of the joint system. The Army projects being eliminated by the interim selection would have provided the ARMY users with capabilities in FY 92 that equal those of the preferred system platform.

ASSET MANAGEMENT - REQUISITIONING/DISTRIBUTION .

1. PRODUCTIVITY AND POLICIES. The EA efforts must be directed in such a manner that the system solution based on FRT recommendation should not allow for the declining of capabilities that have been implemented for productivity enhancements nor for the elimination of systems that implement service policy.

2. FRT REPORT. The FRT report leaves many unanswered questions in this functional area and it should be recognized that the EA must establish communication techniques with other service functional elements to resolve many issues remaining for the EA to resolve.

ASSET MANAGEMENT - MAINTENANCE DECISIONS/REPARABLES MANAGEMENT.

1. FRT REPORT. The FRT report indicates that scoring and evaluations in terms of point structure for systems identified for maintenance decisions and reparables management were almost identical between the Army, Air Force, and Navy. Conclusions in this area could be very misleading, however, since there are rather large incompatibilities in the functional operations supported by the three service systems. The EA must first determine, with functional support from other services, which business functions need to be supported and merge these systems to allow for that actuality.

2. SCOPE. The scope of this functional area was very unclear. The EA must establish the true scope for approval.

DEPOT CENTER OPERATIONS.

ARMY REQUIREMENTS. Many modules exist in the current Army system which implement service policy. These requirements, to include consolidation/containerization point, total package materiel fielding, set assembly/disassembly, serial number tracking, milstep reporting, care of supplies in storage, quarterly audit with appropriate history data, and the Milstandard for barcoding all need to be included more definitely in the concept plan to be presented by the EA. Incorportation of this information should be accomplished with representation of service functional personnel to ensure that all functional requirements are documented and incorporated into the interim standard system.